

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2017

CITY OF RIVERSIDE, CA

2009 SERIES A SEWER REVENUE BONDS \$36,835,000 (TAX-EXEMPT)
2009 SERIES B SEWER REVENUE BONDS \$204,075,000 (TAXABLE)
(Build America Bonds – Direct payment to Issuer)

DATED August 20, 2009

CUSIP NUMBERS:
SERIES A 769047 GS4 through 769047 GW5
SERIES B 769047 GX3 through 769047 HB0

Prepared by
City of Riverside

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Finance Department
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February 02, 2018

CITY OF RIVERSIDE, CA
CONTINUING DISCLOSURE INFORMATION -
2009 Sewer Revenue Bonds Series A and Series B (Taxable)

FISCAL YEAR ENDED JUNE 30, 2017

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report

1) Attached are the audited financial statements of the City of Riverside for the year ending June 30, 2017. Required continuing disclosure information for the City of Riverside Sewer System is contained in these audited financial statements. The City of Riverside Proprietary Funds financial statements include the component unit of the Sewer System and provide the update for item six of the Continuing Disclosure Certificate, "Historical Summary of Operations" schedule referenced in the Official Statement.

2) The principal amount of the Bonds outstanding at June 30, 2017:

2009 SEWER REVENUE BONDS (SERIES A):	Outstanding:	Matured on 08/01/2016
2009 SEWER REVENUE BONDS (SERIES B):	Outstanding:	\$204,075,000

Parity Debt

2015 SEWER REVENUE BONDS (SERIES A):	Outstanding:	\$200,030,000
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STATE HEADWORKS PROJECT	Outstanding:	\$ 930,094
STATE COGENERATION PROJECT	Outstanding:	\$ 1,290,294

3) The 2009 Sewer Revenue Bonds reserve account balances at June 30, 2017:

2009 Series A	N/A
2009 Series B	\$16,458,809

The 2009 Series A has no Reserve requirement. The bonds matured on 08/01/2016
The 2009 Series B Reserve requirement of \$16,458,809 is fully funded by bond proceeds.

4) Revenues by Customer Category for the fiscal year ended June 30, 2017:

Fiscal Year	Residential Accounts	Commercial Accounts	Industrial Accounts	Community Service Districts	Charges for Services	Total
2004-05	\$13,701,937	\$4,399,449	\$1,142,722	\$2,366,212	\$356,299	\$21,966,619
2005-06	13,826,611	4,568,233	974,152	1,879,452	261,118	21,509,566
2006-07	13,926,981	4,839,272	999,136	3,787,399	504,034	24,056,822
2007-08	13,894,300	4,658,156	976,222	2,438,146	558,392	22,525,216
2008-09	13,834,657	4,479,982	1,032,877	3,494,251	463,826	23,305,593
2009-10	17,338,883	4,762,338	1,352,909	3,367,647	350,058	27,171,835
2010-11	21,762,173	5,946,204	1,549,518	2,846,065	459,992	32,563,952

4) Continued from previous page:

<u>Fiscal Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Industrial Accounts</u>	<u>Community Service Districts</u>	<u>Charges for Services</u>	<u>Total</u>
2011-12	\$25,267,285	\$7,039,190	\$1,671,961	\$3,153,850	\$411,774	\$37,544,060
2012-13	28,727,013	8,016,851	1,985,728	4,461,742	372,504	43,563,838
2013-14	31,185,033	8,826,527	2,064,876	3,459,466	414,071	45,949,973
2014-15	34,099,456	9,257,105	2,804,221	3,552,840	411,695	50,125,317 ^(A)
2015-16	37,361,734	8,894,533 ^(B)	2,510,964	3,335,237	347,590	52,450,058 ^(A)
2016-17	40,798,249	10,380,803	3,388,961	4,927,379	360,808	59,856,200 ^(A)

^(A) Differs from the amount shown under “Charges for Services” in the Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position referenced in item 1 above due to the exclusion of the Public Benefit Program charge.

^(B) Includes \$302,042 that was misclassified and accrued as Public Benefit Program charge at year end.

5) Total Connection Fee Revenues for fiscal year ended June 30, 2017:

<u>Fiscal Year</u>	<u>City Portion of Connection Fees</u>	<u>Community Service Districts Portion of Connection Fees</u>	<u>Total Connection Fee Revenues</u>
2004-05	\$3,494,000	\$0	\$3,494,010
2005-06	4,057,474	0	4,057,474
2006-07	2,063,468	2,949,880	5,013,348
2007-08	2,171,044	501,231	2,672,275
2008-09	(63,786) ^(C)	845,640	781,854
2009-10	716,549	41,053	757,602
2010-11	533,363	41,923	575,286
2011-12	1,056,991	41,053	1,098,044
2012-13	1,023,658	41,053	1,064,711
2013-14	2,643,253	41,053 ^(E)	2,684,306
2014-15	1,802,665	41,053 ^(E)	1,843,718
2015-16	618,455 ^(D)	41,053 ^(E)	659,508
2016-17	2,976,609	328,553 ^(E)	3,305,162

^(C) Reflects net amount of connection fees for 2008-09 taking into account refunds of previously collected connection fees attributable to expired building permits.

^(D) Does not include \$269,503 in connection fees remitted to the Sewer Fund through operating transfers.

^(E) Does not reflect \$64,815 in deferred capacity charges from a contract settlement that were recognized as Miscellaneous Income.

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence of the following significant events with respect to the City of Riverside 2009 Sewer Revenue Bonds Series A and Series B (Taxable) except for the items previously disclosed and noted below:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults.
3. Modifications to the rights of Bondholders.
4. Optional, contingent or unscheduled Bond calls.
5. Defeasance of the Bonds.
6. Rating changes.

On July 22, 2016, Standard and Poor's increased its rating on the bonds (Series A & B) from "A" to "A+".

On June 9, 2014, Moody's decreased its rating on the bonds (Series A & B) from "Aa2" to "A1".

7. Adverse tax opinions or events affecting the Tax-exempt status of the Bonds.
8. Unscheduled draws on the debt service reserves reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of the credit or liquidity providers or their failure to perform.
11. The release, substitution or sale of property securing repayment of the Bonds.

VOLUNTARY DISCLOSURE - Other Event Based Disclosures

1. The interest subsidy on the Series B Taxable Build America Bonds is subject to adjustment as set forth in the March 4, 2013 IRS guidance. For additional information please review the IRS website: www.irs.gov/tax-exempt-bonds/fy2017-update-effect-of-sequestration-on-state-local-government-filers-of-form-8038-CP.